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C O N F I D E N T I A L JERUSALEM 002226

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E.O. 12958: DECL: 12/10/2018  
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SUBJECT: GOI ALLOWS PALESTINIAN BANKS TO TRANSFER NIS 100M  
IN CURRENCY TO GAZA

REF: JERUSALEM 2179

Classified By: Consul General Jake Walles, for reasons 1.4(b) and (d)

11. (C) Summary: On December 10, The Palestine Monetary Authority (PMA) reported that it received permission from the GOI to transfer NIS 100m (USD 25m) in currency from West Bank to Gaza bank branches. The currency is being trucked to Gaza on December 11. PMA and bank officials say that banks will begin disbursing cash through ATM machines immediately. End Summary.

Cash is on the way  
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12. (C) According to the PMA and other West Bank contacts, the GOI agreed on December 10 to allow the transfer of NIS 100m in currency to Gaza. PMA Governor Jihad al-Wazir confirmed that on December 11 that armored trucks carrying NIS 100m are in the process of transporting the cash. Al-Wazir said banks in Gaza will fill ATM machines as soon as the currency arrives, and customers will be able to withdraw cash immediately. The banks will be closed as usual on Friday, but plan to re-open for full business services on Saturday, December 13, assuming the cash arrives safely. (Note: All bank branches in Gaza have been closed since December 4 due to the cash shortage.) It is not clear if the NIS 100m will allow other cash payments, such as UNRWA's assistance to needy families, to resume.

Al-Wazir: "We will go through this  
whole exercise again in three weeks"  
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13. (C) Al-Wazir said NIS 100m is not sufficient to disburse PA salaries in full. (The amount needed is approximately NIS 200m.) As they have done in recent months, each individual bank will determine what percentage it can disburse. Al-Wazir believes all banks should be able to pay more than half of what they owe to account holders.

14. (C) Al-Wazir remains concerned about a run on the banks when they open on December 13, but said the NIS 100m gives the banks "room to maneuver." He also noted that "we will go through this whole exercise again in three weeks," in advance of the next salary payment in early January, and stressed the need for regular transfers of cash to Gaza banks to promote confidence in the sector's integrity.  
WALLES